

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/779,950 Confirmation No.: 7569  
Applicant : Nigel KNIGHT  
Filed : February 9, 2001  
Title : INTERNATIONAL BANKING SYSTEM AND METHOD  
TC/Art Unit : 3693  
Examiner: Felten, Daniel S.  
  
Docket No. : 72167.000237  
Customer No. : 21967

**Mail Stop: Amendment**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

REQUEST FOR PRE-APPEAL BRIEF CONFERENCE

Pursuant to the Pre-Appeal Brief Conference Pilot Program announced in the Official Gazette, Applicants hereby request a pre-appeal brief conference in the above-referenced case.

This application is appropriate for a pre-appeal brief conference. A brief history of this application and why Applicants believe that an appeal will succeed are set forth below. This application was filed April 1, 2001. An initial Office Action containing a restriction requirement was issued on April 7, 2006. In response, Applicants elected claims 1-18 and 45-59 and withdrew claims 19-44 and 60-62 on May 2, 2006. An Office Action mailed on July 17, 2006 rejected claims 1-18 and 45-59 under 35 U.S.C. § 103 as being allegedly unpatentable over U.S. Patent Application No. 2001/0032139 to Debonnett ("Debonnett") without identifying the elements missing from the primary reference or identifying a proper motivation to combine. On September 6, 2006 an Interview with the Examiner was conducted. Amendments suggested by the Examiner to overcome Debonnett were incorporated into an amendment filed on October 2, 2006. On July 6, 2007 a non-final rejection was mailed maintaining the same rejection. Applicants responded again on October 5, 2007 without amending. The Examiner issued a second non-final Office Action maintaining the same rejection on December 31, 2007. Applicants filed an Appeal Brief on May 27, 2008. On October 6, 2008, the Examiner reopened prosecution and issued an Office Action withdrawing the rejection under Debonnett and rejecting claims 1-18 and 45-59 under 35 U.S.C. § 103 as being allegedly unpatentable over Sarkis J. Khoury, *International Banking: A Special Look at Foreign Banks in the U.S.*, Vol. 10, No. 3 Journal of International Business Studies 36-52 (winter 1979). ("Khoury"). Applicants filed a response without amending the claims on December 16, 2008 and pointing out the deficiencies of the required analysis in the rejection. On April 2, 2009, a non-final Office Action was mailed maintaining the same deficient rejection and failing to address the Applicants remarks.

Each of the rejections under 35 U.S.C. 103 was improper at least for the deficiency of the analysis. Specifically, each failed to identify the limitation missing from the primary reference, failed to articulate a proper statement of motivation, and failed to properly address each and

every claim limitation. In sum, a *prima facie* case of obviousness has yet to be set forth for any of the office actions in this application, including the present Office Action dated April 2, 2009. Accordingly, rather than proceeding with another expensive appeal, Applicants respectfully request that the Office, following consideration of the remarks below, issue a Panel Decision allowing the application based on existing claims and closing the prosecution record. If the Panel declines to issue such a finding, then Applicants request that the Office either issue a proper office action stating a thoughtful basis for rejection or allow this application to proceed to appeal.

In the current Office Action, the Examiner has maintained the rejection of claims 1-18 and 45-59 under 35 U.S.C. § 103 as being allegedly unpatentable over Khoury. This rejection is deficient for at least the following reasons.

**A. Khoury Fails to Teach or Suggest All of the Elements of the Claims**

Khoury appears to be directed to a "supply model which yields testable equations that explain the multinational character of the banking firm." *See* Khoury, pg 36.

Missing from the disclosure of Khoury is any discussion directed to the various embodiments of the claimed invention. More specifically, Khoury fails to disclose "a client bank subsystem established within the provider bank, [wherein] the client bank subsystem compris[es] a plurality of customer accounts corresponding to the plurality of customers of the client bank," as recited in claim 1. The claimed architecture is simply missing from the disclosure of Khoury and the Office Action fails to address these missing claim limitations.

Additionally, claim 1 of the present application further recites:

a provider bank subsystem processor coupled to the client bank subsystem processor and coupled to a low value payment system in the particular country, the provider bank subsystem processor receiving the low value payment from the client bank subsystem processor and transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country.

Khoury fails to teach or suggest any payment system. In contrast, Khoury is directed towards "develop[ing] a supply model which yields testable equations that explain the multinational character of the banking firm, the extent of a bank's commitment overseas will be measured ... by the change in total loan assets booked by the overseas branch of the bank." *See* Khoury, pg 36. Applicants note that the Examiner appears to rely on Khoury's statements on page 39-40. Specifically Khoury states that a Japanese bank would be faced with "[s]ervic[ing] the Japanese subsidiaries in the U.S. from Japan with a U.S. bank acting as a correspondent bank (a transactions facilitator) with the following possible consequences: Losing some of the subsidiaries' business-deposits, small loans, and other banking business-to a U.S. bank." Khoury, pages 39-40. Thus, Khoury, at most, discloses using a correspondent bank for loans. Applicants respectfully submit that a correspondent bank fails to disclose "a client bank subsystem established within the provider bank, [wherein] the client bank subsystem compris[es] a plurality of customer accounts corresponding to the plurality of customers of the client bank," as recited in claim 1.

Additionally, Khoury suggests that using a correspondent bank may have "the following possible consequences: Losing some of the subsidiaries' business-deposits, small loans, and other banking business-to a U.S. bank." Thus Khoury, teaches away from using a correspondent bank or a transaction facilitator. *See* Khoury, pages 39-40.

Furthermore, Khoury states that [for the purposes of the model] the "bank is viewed as a multiproduct firm whose balance sheet is made up of five types of imperfectly substitutable loans on the assets side and of a homogenous group of deposits and capital accounts on the liabilities side." Khoury, page 36. Khoury fails to disclose any payment system. Clearly, the limited disclosure provided by Khoury fails to address each and every claim limitation recited by the claims.

**B. The Office Action Improperly Ignores Claims and Claim Limitations**

It is well understood that for a proper rejection, all claim limitations must be taught or suggested by the prior art. Hence, the Office Action disregards the above precedent by ignoring the claims. Essentially, the Office Action performs a cursory review of independent claim 1 by making vague and insufficient reference to Khoury and further effectively ignores independent claim 45 and all dependent claim terms and limitations. The Office Action's complete absence of any analysis concerning claims 2-18 and 45-59 falls far short of complying with the Patent Office's burden to set forth a proper 103 rejection.

The Office Action fails to identify the other claim limitations that are purportedly disclosed by Khoury and where specifically in Khoury such limitations may be found. Without this information, Applicants are forced to speculate, making preparation of a complete and proper response virtually impossible. Board precedent clearly favors overturning such vague and equivocal rejections. *See e.g., Ex parte Gambogi*, 62 U.S.P.Q.2d 1209, 1212 (Bd. Pat. App. & Inter. 2001).

Independent claim 45 and dependent claims 2-18 and 46-59 are believed to be patentable for at least the reasons stated above and further in view of the reasons stated below. Dependent claims 2-18 and 46-59 contain additional patentable limitations that have not been addressed by the Office Action. For a proper rejection under 35 U.S.C. § 103, the burden is upon the Office to show how the claims are unpatentable over the prior art. The Office has completely failed to do so here. As the burden has not been met, these claims are improperly rejected. For these reasons alone, the rejections should be reversed.

The Office Action provides a cursory rejection of all the limitations of these dependent claims 2-18 and 46-59 and fails to set forth a basis for rejection of each dependent claim. The Office is required to provide a basis for each and every claim limitation, as recognized in MPEP §§ 706.02(j) and 2143.03, and has failed to do so here. The Office has made no meaningful attempt whatsoever to properly address the pending claims. Nevertheless, Applicants maintain that the reference cited fails to provide any disclosure, motivation or suggestion related to the limitations of claims 2-18 and 46-59. The Office fails to provide any analysis to any of the many novel claim limitations of claims 2-18 and 46-59. As the disclosure of Khoury fails to disclose, teach or suggest the claimed combination of limitations of independent claims 1 and 45, dependent claims 2-18 and 46-59 are similarly not taught or suggested by the references relied upon in the Office Action.

The Office Action conveniently ignores the fact that the burden is upon the Office to establish a *prima facie* case of obvious for all pending claims. For at least these deficiencies alone, the rejections are improper and should be reversed.

**C. The Rejection of Dependent Claims 2-18 and 46-59 is Improper**

As the remaining dependent claims encompass the limitations of independent claims, these claims should be allowed for at least the reasons stated above. Furthermore, the rejection of the dependent claims is also improper procedurally as addressed below. For at least these reasons, Applicants respectfully submit that the rejections of the pending claims are improper and request that they be withdrawn. Additionally, these claims are separately patentable over the Khoury reference for at least the reasons stated below.

### **1. The Office Has Not Addressed Dependent Claims 2-18 and 46-59**

MPEP 707.07(i) recites “[i]n every Office action, each pending claim should be mentioned by number, and its treatment or status given.” While Applicants recognize the claims stand rejected as obvious, the Office has failed to give any basis for these rejections. Clearly the text of the rejection as it stands fails to address elements recited in the dependent claims. Furthermore, these elements are not taught or suggested by Khoury.

### **D. The Office Fails to Provide the Proper Analysis As Required by MPEP 706.02(j)**

#### **1. The Office Action fails to establish a *prima facie* case of obviousness**

The Office Action fails to establish a *prima facie* case of obviousness that the pending claims are unpatentable over Khoury. The rejection of claims 1-18 and 45-59 under 35 U.S.C. §103(a) as being unpatentable over Khoury is not properly supported as required by MPEP 706.02(j) and thus fails to establish a *prima facie* case of obviousness. MPEP 706.02(j) states that the examiner should set forth in the Office action: “(A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate, (B) … differences in the claim over the applied reference(s), (C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter...”

Applicants respectfully submit that the Office Action is inadequate with reference to the required elements above. The Office Action fails to rely on any relevant disclosure of Khoury. Moreover, the Office Action does not mention any differences in the claims over the applied references, any modifications of the applied reference necessary to arrive at the claimed subject matter, and the Office Action fails to provide an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made. As the Office has not presented a *prima facie* case of unpatentability, Applicants are entitled to a patent.

#### **2. The Office Action Fails to Rely on Any Relevant Teaching of the Prior Art**

The Office Action makes no attempt to explain the relevance of any teachings of the applied references with regard to the claimed inventions. Rather, the rejection merely states that the reference teaches certain elements of the claimed invention and supports these statements with vague citations to the applied reference. “The pertinence of each reference, if not apparent, must be clearly explained.” 37 C.F.R. § 1.104(c)(2). The mere citations to the applied reference do not present a convincing line of reasoning as to why an artisan would have found the claimed invention to have been obvious in light of the teachings of the applied reference. The Office Action merely repeats independent claim 1 with no explanation as to how the teaching of Khoury even applies to any element.

#### **3. The Office Fails To Identify The Differences Between the Claimed Inventions and the Disclosure of Khoury**

Inherent in a rejection under 35 U.S.C. 103 is the implication that “to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references.” *See* MPEP 706.02(j). The Office Action has summarily rejected all the pending claims under an obviousness rejection. By relying on a single reference for an obviousness rejection, the Office concedes that Khoury by itself fails to teach each and every claim limitation as recited by Applicants. However, in this case, the Office has failed to identify the differences between the claimed inventions and the disclosure of Khoury. Without the proper analysis, Applicants are not given a fair opportunity to properly address the alleged obviousness rejection.

#### **4. The Office Action Does Not Identify the Proposed Modification**

Also missing from the Office's analysis is a clear proposed modification to Khoury. The Office acknowledges that Khoury is deficient in meeting each and every claim limitation of Khoury. However, there is no discussion of how Khoury should be modified to meet the claimed inventions. As discussed above no deficiency of Khoury has been identified. Applicants note that the Office Action states "[f]rom the teachings of Khoury, it would have been obvious for one of ordinary skill in the art to conduct international banking operations and provide international infrastructure." Office Action, page 2. From this single statement, it would appear that the Office is proposing adding international banking operations and international infrastructure to Khoury. If that is the case, it suggests that Khoury fails to teach or suggest international banking operations and international infrastructure. However, without any guidance on the deficiencies of Khoury, this single statement is inadequate to enable a proper response.

Applicants submit that the claimed inventions are directed to effectuating international banking transactions while Khoury is directed to "supply model which yields testable equations that explain the multinational character of the banking firm." *See* Khoury, page 36. Therefore, the Office Action's lack of any clear proposed modification supports the understanding that one skilled in the art would not have been motivated to modify Khoury because doing so would require a complete restructuring of the system of Khoury that would defeat its purpose.

### 5. The Office Action Fails To Provide A Statement of Motivation

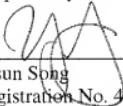
Not only does the Office Action fail to articulate a clear proposed modification to Khoury, the Office Action does not provide a statement of motivation. Applicants note that the Office Action states "[s]uch a modification would be a obvious expedient to one of ordinary skill in the art." Office Action, page 2. As addressed above, Applicants are not clear what the proposed modification is because no deficiency has been identified and because the wording is sparse and vague. Without identified deficiencies or clear modifications this single statement fails to provide a statement of motivation. Applicants are not clear what "a obvious expedient" refers to.

"The Federal Circuit has stated that 'rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.'" MPEP 2142 (quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)). *See also KSR*, 550 U.S. at \_\_\_, 82 USPQ2d at 1396 (quoting Federal Circuit statement with approval). Accordingly, the rejection under 35 U.S.C. 103 is improper and Applicants respectfully request its withdrawal.

Therefore, the pending claims are patentable over the prior art and are believed to be in condition for allowance. Thus, an appeal on the current rejections will certainly succeed, but the time and expense in preparing an appeal brief on these issue should not be borne by Applicants when the grounds are so clearly improper. Additionally, Applicants deserve to finally receive a notice of allowance or a proper, fully-articulated rejection on the best art the Examiner can locate, so that Applicants can work with the PTO to bring this meritorious application to allowance without further delay.

Respectfully submitted,

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